# THE BEN & JERRY’S FOUNDATION INC.

Financial Statements
(With Independent Auditors' Report)

December 31, 2023 and 2022

**THE BEN & JERRY'S FOUNDATION, INC**
December 31, 2023 and 2022
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McSOLEY McCOY & CO.
Certified Public Accountants and Business Advisors

# INDEPENDENT AUDITORS' REPORT

To Management and the Board of Trustees of
The Ben & Jerry's Foundation, Inc.
South Burlington, Vermont

**Opinion**

We have audited the accompanying financial statements of The Ben & Jerry's Foundation, Inc. (a nonprofit organization) (the "Foundation"), which comprises the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and


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therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Report on Summarized Comparative Information**

We have previously audited the Foundation's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated November 17, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
November 1, 2024
VT Reg. No. 92-349

**The Ben & Jerry's Foundation, Inc.**

Statements of Financial Position

December 31, 2023 and 2022

| | | 2023 | | 2022 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ | 489,069 | $ | 1,513,330 |
| Community cash investments | | 6,260,103 | | 5,096,134 |
| Short-term investments | | 1,242,108 | | - |
| Contribution receivable | | 4,233,813 | | 4,359,347 |
| Notes receivable | | 200,000 | | 200,000 |
| Other receivable | | 518 | | - |
| Total assets | $ | 12,425,611 | $ | 11,168,811 |
| **Liabilities and Net Assets** | | | | |
| Due to related party | $ | - | $ | 19,672 |
| Accounts payable | | 3,000 | | - |
| Grants payable | | 1,353,000 | | - |
| Total liabilities | | 1,356,000 | | 19,672 |
| Net Assets: | | | | |
| Without donor restrictions | | 10,869,262 | | 11,004,868 |
| With donor restrictions | | 200,349 | | 144,271 |
| Total net assets | | 11,069,611 | | 11,149,139 |
| Total liabilities and net assets | $ | 12,425,611 | $ | 11,168,811 |

See accompanying notes to the financial statements.

**The Ben & Jerry's Foundation, Inc.**
Statements of Activities
For the Years Ended December 31, 2023 and 2022

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| **Support and revenue:** | | | | | | |
| Contributions - company | $ 5,333,813 | $ - | $ 5,333,813 | $ 5,459,347 | $ - | $ 5,459,347 |
| Contributions - other | - | 56,078 | 56,078 | - | 90,135 | 90,135 |
| Donated facilities and materials | 19,500 | - | 19,500 | 19,500 | - | 19,500 |
| Interest income | 112,652 | - | 112,652 | 33,695 | - | 33,695 |
| Other income | 19,939 | - | 19,939 | 2,754 | - | 2,754 |
| Net assets released from restriction | - | - | - | - | - | - |
| Total support and revenue | 5,485,904 | 56,078 | 5,541,982 | 5,515,296 | 90,135 | 5,605,431 |
| Expenses: | | | | | | |
| Program services | 5,507,998 | - | 5,507,998 | 4,524,889 | - | 4,524,889 |
| Supporting services: | | | | | | |
| Management and general | 113,512 | - | 113,512 | 84,078 | - | 84,078 |
| Fundraising | - | - | - | - | - | - |
| Total expenses | 5,621,510 | - | 5,621,510 | 4,608,967 | - | 4,608,967 |
| Change in net assets | (135,606) | 56,078 | (79,528) | 906,329 | 90,135 | 996,464 |
| Net assets, beginning of the year | 11,004,868 | 144,271 | 11,149,139 | 10,098,539 | 54,136 | 10,152,675 |
| Net assets, end of the year | $ 10,869,262 | $ 200,349 | $ 11,069,611 | $ 11,004,868 | $ 144,271 | $ 11,149,139 |

See accompanying notes to the financial statements.

**The Ben & Jerry's Foundation, Inc.**

Statement of Functional Expenses

For the Year Ended December 31, 2023

(With Summarized Comparative Totals for the Year Ended December 31, 2022)

| | Programs | Management and General | Fundraising | 2023 Total | 2022 Total |
|---|---|---|---|---|---|
| **Expenses** | | | | | |
| Grants | $ 5,148,285 | $ - | $ - | $ 5,148,285 | $ 4,268,819 |
| Payroll costs | 245,521 | 74,168 | - | 319,689 | 279,838 |
| Bank charges | - | 287 | - | 287 | 314 |
| Consultants and subcontractors | 877 | 24,380 | - | 25,257 | 8,447 |
| Donated facilities and materials | 14,976 | 4,524 | - | 19,500 | 19,500 |
| Dues and subscriptions | 8,448 | 2,552 | - | 11,000 | 15,596 |
| Insurance | 1,760 | 532 | - | 2,292 | 2,259 |
| Miscellaneous | 4,310 | 1,302 | - | 5,612 | 3,229 |
| Office supplies and postage | 1,081 | 326 | - | 1,407 | 726 |
| Promotion | - | 1,086 | - | 1,086 | 1,239 |
| Travel, training and conferences | 66,758 | 3,514 | - | 70,272 | 4,909 |
| Website and technology | 15,982 | 841 | - | 16,823 | 4,091 |
| Total expenses | $ 5,507,998 | $ 113,512 | $ - | $ 5,621,510 | $ 4,608,967 |

See accompanying notes to the financial statements.

**The Ben & Jerry's Foundation, Inc.**

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

| | 2023 | 2022 |
|---|---|---|
| **Cash Flows from Operating Activities** | | |
| Change in net assets | $ (79,528) | $ 996,464 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| Changes in assets and liabilities: | | |
| Contributions receivable | 125,534 | (235,625) |
| Other receivable | (518) | - |
| Due to related party | (19,672) | 19,672 |
| Accounts payable | 3,000 | - |
| Grants payable | 1,353,000 | (41,339) |
| Net cash provided by operating activates | 1,381,816 | 739,172 |
| Cash flows from investing activities: | | |
| Purchase of short-term investments, along with reinvested earnings | (1,242,108) | - |
| Net cash provided by investing activities | (1,242,108) | - |
| Net increase in cash and cash equivalents | 139,708 | 739,172 |
| Cash and cash equivalents beginning of year | 6,609,464 | 5,870,292 |
| Cash and cash equivalents end of year | $ 6,749,172 | $ 6,609,464 |
| Cash consists of: | | |
| Cash and cash equivalents | $ 489,069 | $ 1,513,330 |
| Community cash investments | 6,260,103 | 5,096,134 |
| | $ 6,749,172 | $ 6,609,464 |

See accompanying notes to the financial statements.

1. History of the Foundation and Nature of Activities

The Ben & Jerry's Foundation, Inc. ("BJF" or "the Foundation") was incorporated as a private charitable foundation in Vermont in 1985 with the mission of supporting nonprofit grassroots organizations in Vermont and throughout the U.S. and its territories which facilitate progressive social change by addressing the underlying conditions of societal and environmental problems. The Foundation is a social justice organization which supports grassroots groups that are led by the people most impacted by the legacies of white supremacy culture as they organize for racial equity, and social and environmental justice. Nearly all Foundation support has and continues to come from Ben & Jerry's Homemade, Inc. ("the Company"). The Foundation's grant-making is led by "employee advisory groups" (made up of non-management employees of the Company) who consider proposals and make funding recommendations.

All Foundation personnel are employees of the Company with the actual cost (including taxes and benefits) reimbursed to the Company by the Foundation each quarter. The Company also provides the Foundation with office space and other operating materials and services (such as information technology, copying and telephone services and basic supplies) which are recognized as in-kind donated facilities.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

b) Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions net assets and without donor restrictions net assets. Contributions received are recorded as net assets with or without restrictions, depending upon the existence and/or nature of any donor-imposed restrictions. With donor restrictions net assets are reclassified to without donor restrictions net assets upon satisfaction of the time or purpose restrictions. Restricted contributions whose restrictions are met in the same period as received are shown as without restriction contributions.

c) Promises to Give

The Foundation records unconditional promises to give included in contributions receivable on the statements of financial position that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset, if any. Any amortization of the discounts would be reflected in contribution revenue. Conditional promises to give are not included in support until the conditions are substantially met.

Summary of Significant Accounting Policies (continued)

d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

e) Cash and Cash Equivalents/Credit Risk

The Foundation considers all cash accounts with an original maturity of three months or less to be cash and cash equivalents. Any cash or money market accounts included in the short-term investment portfolio is excluded from cash and cash equivalents.

The Foundation has concentrated its credit risk by maintaining deposits in financial institutions that, at times, exceed amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (FDIC). The Foundation has not experienced any losses in such accounts and believes it is not exposed to any unreasonable credit risk to cash.

The Foundation invests surplus funds in money market funds and certificates of deposit at a number of financial institutions throughout the country that make "socially responsible" investments in their local communities with amounts generally limited to $250,000 per institution.

f) Federal Income Taxes

The Foundation is exempt from federal and state income taxes and classified as a private foundation under Section 501(c)(3) of the Internal Revenue Code. As a private foundation, it is subject to federal excise taxes on certain investment income. The Foundation does not believe that there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

FASB ASC 740, *Income Taxes*, requires entities to disclose in their financial statements the nature of any uncertainty in their income tax positions. For tax-exempt entities, tax-exempt status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. Management believes the Foundation has no uncertain income tax positions. The Foundation anticipates that it will not have a change in uncertain income tax positions during the next twelve months that would have a material impact on the Foundation's financial statements. If necessary, the Foundation would accrue interest and penalties on uncertain income tax positions as a component of the provision for income taxes. The Foundation is no longer subject to federal and state income tax examinations by tax authorities for years before the tax year ended December 31, 2020.

Summary of Significant Accounting Policies (continued)

g) Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis as a separate statement in the financial statements. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Foundation allocates its payroll costs based on estimated time worked by staff on various program and, general and administrative and fundraising activities. Other costs are attributed to and benefit one or more program or supporting services are allocated based on direct payroll allocation percentages discussed above.

h) Comparative Data

The financial statements include certain prior-year summarized comparative information in total, but not by class (and, for the statement of functional expenses, in total but not by functional category). Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2022 from which the summarized information was derived.

i) Receivables and Allowance for Doubtful Accounts

Notes receivable are measured at amortized cost at the net amount expected to be collected. On January 1, 2023, the Foundation adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this standard did not have a material impact on the Foundation's financial statements, but did change how the allowance for credit losses is determined.

The Foundation's primary allowance for credit losses is the allowance for doubtful accounts. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. Management uses judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. Accounts and notes receivable balances are written off against the allowance if a final determination of collectability is made. No allowance for doubtful accounts has been recorded as of December 31, 2023 and 2022 as management deems all amounts collectible.

j) Short-Term Investments

The Foundation reports investments in certificate of deposits with readily determinable fair values at their fair value in the Statement of Financial Positions. Accrued interest is included in the change in net assets in the accompanying Statement of Activities.

Summary of Significant Accounting Policies (continued)

k) Subsequent Events

The Foundation has evaluated subsequent events through November 1, 2024, the date the financial statements were available to be used.

3. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of "donor directed funds" of the two founders of the Company with contributions to the funds from disclaimed speaking fees and book royalties and releases from the funds from special grants made in consultation with the founders. There were no such grants (and, therefore, no releases from the funds) during 2023 and 2022.

Net Assets with donor restrictions as of December 31st consist of the following:

| | 2023 | 2022 |
|---|---|---|
| Ben's designated funds | $ 189,960 | $ 135,041 |
| Jerry's designated funds | 10,389 | 9,230 |
| Total net assets with donor restrictions | $ 200,349 | $ 144,271 |

4. Donated Facilities and Materials

The Foundation received services, materials, and facilities from the Company in 2023 and 2022 and are included in the financial statements at fair value at the time of contribution. In kind revenue and related expenses have been included in the accompanying statement of activities for the year ended December 31st as follows:

| | 2023 | 2022 |
|---|---|---|
| Space | $ 9,600 | $ 9,600 |
| Information technology | 6,000 | 6,000 |
| Copier | 1,500 | 1,500 |
| Postage, supplies, reception | 2,400 | 2,400 |
| Total donated facilities and materials | $ 19,500 | $ 19,500 |

In addition, the Foundation also receives hundreds of hours of volunteer program-related services during the year. No amounts have been recorded for these services as they do not meet the criteria for recognition as contributed services.

5. Contributions Receivable and Concentration of Revenue

In connection with the purchase of the Company in 2000, Unilever, through its acquired subsidiary (the "Surviving Corporation"), committed to provide minimum annual contributions of $1,100,000 to qualified charitable organizations for at least ten years and that "*...after such ten year period the Surviving Corporation shall continue to make contributions... Unless the activities and performance of the Foundation cease to be reasonably acceptable to Unilever"*. The $1,100,000 base amount is adjusted annually for increases in both the sales of the Company's products and the Producer Price Index. Contributions by the Company under the agreement have always been made to the Foundation. Contributions under this agreement in 2023 and 2022 amounted to $5,333,813 and $5,459,347, with the first installment of $1,100,000 paid in the first quarter of 2023 and 2022 and the remaining balance of $4,233,813 and $4,359,347 paid in the second quarter of 2024 and 2023, respectively.

6. Notes Receivable

The Foundation provided two $100,000 notes to the Vermont Community Loan Fund dated November 2019 and October 2020, maturing December 2023 (renewed until December 2025) and November 2025, and paying interest annually at 0.5% and 2.0%, Both notes have been and continue to be extended as they come due.

7. Grants Payable

The Foundation has entered into several unconditional 2 year grants to give to various non-profit organizations. These grants are to be paid over the future periods and are reported at net realizable value at the time the promise is made. For the year ended December 31, 2023 and 2022, grants to be paid are $1,353,000 and $0, respectively.

8. Fair Value Measurements

Generally accepted accounting principles in the United States of America establish a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Fair Value Measurements (continued)

If the asset or liability has specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Short-term investments consist of money market funds and certificates of deposit*: Valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

Investments are measured at fair value in the statements of financial position. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized. Short-term investments are unrestricted and measured as Level 1 investments with values consisting of $1,242,108 and $0 as of December 31, 2023 and 2022, respectively.

9. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position dates, comprise the following:

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | $ 489,069 | $ 1,513,330 |
| Community cash investments | 6,260,103 | 5,096,134 |
| Receivables expected to be collected in the coming year | 4,234,331 | 4,359,347 |
| | $ 10,983,503 | $ 10,968,811 |

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash, community cash investments, and receivables.

In addition to financial assets available to meet general expenditures over the next 12 months and the Foundation strives to maintain liquid cash reserves sufficient to cover 45 days of general expenditures. General expenditures include administrative and operating expenses.